Question and Answer Period
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1. Q. As you are well aware, coming from Washington, Mr. Woodward has appeared this week....

A. What's that name again?

Q. Mr. Woodward's book reminds us of another role of the CIA of opportunity..... tonight and that is the role in making as well as executing policy and its involvement with other intelligence agencies in carrying out all sorts of covert activities, including according to Woodward, the attempted assassination of the Lebanese leader. My question to you is, how do you feel about the role of the CIA under Mr. Casey in terms of its very activist role in making foreign policy?

A. I think that the role of the Agency during the last several years is very much a function of the foreign policy of the administration. You have had a very active administration, and a Congress willing, for the most part, to support that activism. The Agency's activities, and I would say those activities that are conducted by the institution, were certainly a reflection of decisions made by the policy officials of the government and activities that were supported and financed by the Congress. So I would say, very much as Ranelagh suggests in his book, that the role that the Agency plays in a given Presidential administration, particularly in the realm of covert action, is largely a function of the administration itself, and the willingness of the Congress to support that administration.

2. Q. Whenever reports are given to Congressmen or policymakers, if it's sensitive information, what steps are taken to make sure that this sensitive information isn't spread or shouldn't be spread?

A. Clearly not enough. The most sensitive reports that we have are circulated in a very limited number of copies to people who are authorized to receive them. I wish I knew better. In fact, some of the people sitting in the first two rows may have a better idea how that information gets from the desk of a policymaker, who is authorized to receive it, into the daily newspaper. I don't know how we can take more steps to protect the information without severely limiting the usefulness of the information itself. There is no point spending money to collect all this information and analyzing it and then throwing it into a safe at CIA or one of the other intelligence agencies. If the information isn't going to be used, there is no point in going through the exercise in the first place. There have been various proposals in this administration, and in the past, to try and deal with unauthorized disclosures and it seems fairly clear to me that in neither the Executive Branch nor in the Legislature is there any stomach for the kinds of Draconian measures that would be necessary to try and stop this. So, from the standpoint of the professional intelligence officer, we have to deal with it the best way we can. One of the things that we do is increasingly disguise the source and nature of our information so that they have the information but get less information about where it came from and, I might add, about its provenance.

3. Q. If I understand you correctly, it would seem to me that the contributions of the CIA would be much better appreciated if covert action was not undertaken by the CIA. What is the argument in your mind to retaining covert operations within the scope of CIA activities?

A. Well, there have been those who have argued that they can be more discreetly carried out, perhaps, if that organization worked within the Department of Agriculture or Fish and Wildlife. There is no question in my mind that, in the eyes of many members of Congress and, or at least some members of Congress, and in the eyes of a number of Americans, the Agency's role in implementing foreign policy imposes a fairly heavy cost to it that is felt, I would say, most particularly by the analytical side of the Agency and most particularly in its relationships with the university communities. That's sad. It has been the practice and the interpretation of the law since President Truman that CIA is the place where, under the law, such activities could take place, should be carried out. And it seems to me that there has been little evidence in recent years, including in the last year, to move that function from CIA to some other institution in the Government. It seems to me that most of the focus has been on how to improve Congressional oversight of that function. So, the answer to your question is that yes, there is a cost to the Agency. It imposes a burden that we bear and its worse from time to time, but I don't think people have come up with an acceptable alternative of where else to put it.

4. Q. Sir, do you suppose your predecessors as DDCI resigned out of either frustration of being cut out of the loop or disagreement with policy? In your confirmation hearings, you alluded to the fact a few times that you were not necessarily totally in the loop. What's being done at the CIA to prevent any future Director from going off the books?

A. Well, I think that there are several things that have been done as a result of the investigations and that are being done, not just by the Agency, but in the White House and in the Congress to try and prevent a repetition of what happened in 1985 and 1986. In the Agency itself, we are tightening up on procedures for the approval of covert action. We are making more rigorous review of proposals, insuring that all elements of the Agency have an appropriate role to play -- I would include the analytical side there in terms of evaluating whether it makes any sense -- have a part in the approval process and insuring that the proposals are consonant with our laws and regulations. In the White House, steps have been taken to end the operational role of the NSC and in the Congress there is a significant priority being given to strengthening the oversight process, including, for example, as I think Senator Boren indicated in the last few days, creation of an audit capability within the Senate Intelligence Committee. So, you have a lot of new procedures, new approaches intended to try and make the covert action process more accountable and more strictly confined to those channels that are appropriate and that have been set forth by regulation and law. Now that said - and this is something that I have told a lot of different audiences - when push comes to shove in Washington, you can't write enough laws and regulations to prevent somebody, somewhere, someday from possibly breaking the rules. People make a big difference.

It seems to me, and I think it is fair to say, that the kind of thing that happened earlier would be inconceivable with a Frank Carlucci as National Security Advisor and a William Webster as Director of Central Intelligence. And so I think that the choice of people for those positions and recognition that the Congress, in fact, does have a role to play and I might add (and I suppose I have a parochial perspective on this) some experience in Washington and in how policy gets made, are further safeguards to keep people from going off the track again.

5. Q. First I'd like to thank you for the intelligence list that you discussed there were a lot of conflicts if we can't proceed from a a great deal to this. My question is about the political bias or policy bias within the Agency to discuss the role . Its obvious and inevitable that officers in the Agency's are going have to provide some and the institutional way of dealing with that is to help process by which they test each other and balance each other out. The question seems to me comes at the level of the mixture and weight of competing specialists with contingency. I have two related customs about that (1) is any attempt to manage that if you have at a given point of the confidence of people who see the proverbial (2) Is there any trend or evolution within the Agency, say in the last 20 or years 21 years past experience in terms of the perspectives on policy or ideology that guard the work and setting priorities within the CIA. (THIS QUESTION IS UNINTELLIGIBLE)

A. The process by which different biases are balanced (we try to balance different biases within the Agency) starts with the very strong training program that focuses on the importance of working from the evidence. What does the evidence show? Don't necessarily start with a preconceived notion or with the conclusion already in your mind. Where is the evidence?

One of the changes that I made when I was Deputy Director for Intelligence was to separate facts and analysis in the Daily National Intelligence Bulletin. One of the virtues of that was that it conveyed to the policymaker whether or not you had any facts, whereas in the past sometimes assertion passed for facts. We won't pursue that line. So, the first thing we've tried to do is identify what are the facts and what is the evidence that you have? Now, most of the time the evidence is reasonably clear on most of the issues that we deal with. There will be alternative judgments when the evidence is not conclusive. Another change in the intelligence products, where we do have an ambiguous set of circumstances or evidence, is to lay out several of the possibilties.

We have gone back and looked at virtually all of the major intelligence failures over the last 30 years and they have been because they only forecast one single outcome and made no allowance for the possibility that other things might happen. So, one of the things that we try to do is show that in some instances events can develop in several different ways. Another thing that we try to do is expose our analysis to the views of outside experts. One of the reasons for the significant expansion of our contacts with the academic community over the last half dozen years is to try to bring in as many people, to get as many new ideas as is possible, and to challenge our own thinking. We also have a small group called the Senior Review Panel composed of retired ambassadors, general officers, and so on, to review the drafts of every single

national intelligence estimate. This is a group of four or five very senior former officials. They are not on the make. They don't have any interest in promoting themselves, so they can be counted on to say exactly what they think about our drafts and they do. So, what we have tried to do -- this is kind of a round about way to answer your question or at least a detailed one -- what we have tried to do is build into the system enough outside checks dealing with alternative outcomes, identifying the evidence -- what is analysis and what is evidence -- and trying to ensure that all points of view are represented, even though I believe that you always have to give the best estimate to the policymaker, to ensure that it doesn't take a particular slant or isn't skewed in some way. And then we also have organizations that have been created in recent years to review work that has already been done -- to go back and examine it -- and try to determine when we were right, why we were right and when we were wrong, why we were wrong.

In terms of your second question -- has there been any significant change in that general weighing -- there has been a significant generational change at CIA in the past 10 years. Two-thirds of the people in CIA today have less than 10 years experience. In part, that is a natural consequence of the departure of the post-war generation at the end of the 30-year career in the late 1970s. Frankly, there was a significant exodus in the mid-to-late 70s of people who could have stayed but, under the circumstances of the time, frankly decided that it wasn't fun any more and left. So, we have a relatively young population at the Agency. My personal opinion, and it's only that -- there's obviously no data to support it -- but my own impression is that as a group it is a smarter, more realistic group of people than the people that I came into the Agency with and some who were there when I arrived. And not just whether they are working on the Soviet Union, but on a whole host of issues from international economic affairs to technical analysis and so on. That's just a personal opinion.

6. Q. Secretary of State Shultz testified before the Iran/Contra hearing that he felt CIA misled both him and the President. Do you think in this instance CIA "cooked", as you put it, the data or is this a case where a policymaker is blaming the CIA for his own mistakes?

A: Well, I don't know that I would couch it exactly in those terms, but I would say this - I do not believe that the intelligence analysis that was published by CIA or by the Intelligence Community during that period was cooked.

7. Q: So, you do not believe that the CIA misled the Secretary of State or the President?

A: There were - let me give you a little background - there were two estimates done on Iran during this period. The first one people have read a good deal about was the one that was published in May 1985. That estimate basically argued that the internal situation in Iran was more fragile than we had thought and that there was the possibility of significant instability in Iran prior to the death of Khomeni or before the death of Khomeni. That estimate also said that it looked to us as though there were opportunities in the coming months for the Soviet Union to get its foot in the door in Iran; that there were a number of events or developments during the coming months that would provide them those kinds of opportunities. And it set forth some notions about what opportunities or options were available to the West to try to have some impact in terms of getting its own foot in the door. Now, that

estimate has gotten a lot of attention. Another estimate that has not gotten as much attention was done in February 1986, about eight months later, in which we told the policymakers that we had misjudged; that the regime had proved more resilient than we anticipated and that the Soviets had not moved to take advantage of opportunities or had not been able to take advantage of the opportunities that we saw presented to them. I would say also that, in the finished intelligence that was provided by the Agency and the Community, there certainly was no reference to the existence of moderates in Iran vis-a-vis the United States. And, finally, I would add that in retrospect the intelligence on internal developments in Iran at that time was not too bad.

8. Q: It seems to me that there has been a tendency over the last ten years for the politicalization of the branches of the executive.... that political appointees go farther and farther into the bureaucracy of the level of the Deputy Assistant Secretary and even Office Directors and that's an important source of bias. I am curious as to whether you can say anything about the selection of high level (but not the top) people of the CIA and whether they are chosen by different rules?

A: At the present time, I don't believe that there is a single political appointee or person from outside professional intelligence ranks in the senior management of CIA. Now, I would hasten to add, that I am not sure that that is entirely healthy. There is the downside that you suggest of having too many political appointees, but one of the virtues of having some change is that you get people who have a different perspective; who see things with fresh eyes; who have new ideas and new approaches to dealing with problems. It seems to me that one of the places where it is most opportune, under the auspices of the Director of Central Intelligence, to have someone from the outside, not necessarily a political appointee but somebody from outside the professional intelligence ranks, is as Chairman of the National Intelligence Council, in charge of putting together the national intelligence estimates. Somebody who can bring a different intellectual spark, a different international perspective than perhaps the traditional intelligence officer might have. So, I think that basically, as a rule, it is wise that senior intelligence officers be professionals because I think one of the results of the investigations of the last year has been that those professionals did a creditable job trying to follow the rules. But I think that there is room for some appointments, particularly on the analytical side, of people from the outside who can bring in a different perspective.

9. Q: How actively does the CIA recruit people in academia and does the Agency have any restrictions as to the extent of the involvement that they want these people to have?

A: Well, first of all, our relationship with academe begins with the fact that most of the people that we recruit come from the academic community and I might just add that somewhere between 200 and 250 thousand people expressed an interest in joining the Agency last year. Beyond that, regarding our exchanges with the university in terms of our consultative relationships and so forth, the trend has been steadily toward greater openness.

In a speech I gave a year ago February at another institution, I made the point that no conferences should be sponsored by CIA where all the participants are not aware that CIA was paying the freight. I made it clear that the Agency was completely comfortable with having these relationships in the open and having professors or others acknowledge that they consult with us

or work on unclassified contracts for us. And one of the steps forward on that point was to agree that wherever possible, as a rule of thumb, to try to allow professors who do work for us under contract to publish their work and to identify us as the source of the funds. So, there is this greater trend toward openness in these relationships and the other point that I made at Harvard was that I don't think it is appropriate or fair, if you will, for any university to single out CIA as a particular threat to academic freedom. There are lots of different threats to academic freedom and a professor or faculty member being beholden to another country or another agency or corporation or a panel considering tenure can thwart academic freedom just as much as any relationship with us. And, therefore, any rules that are passed that apply to us ought to apply to everybody.

Another point that I made was that the university itself begins to threaten academic freedom when it makes rules that limit professors and faculty members and students, particularly faculty, in their relationships with organizations of their own government. But overall the trend is toward much greater openness and I think that we have made a lot of headway in that regard in the last few years.

10. Q: You mentioned Bob Woodward's book - one of the major allegations of his book where it says that it's true that former Director Casey knew about the diversion of funds to the Contras - what do you think? Do you think he knew about it and, secondly, was there anybody at the CIA who knew about the diversion of funds?

A: The testimony taken by the Committees and the other investigations that have been carried out all appear to agree that no one at the Agency knew about the diversion of funds. Whether Mr. Casey knew, I don't know. And I can't do better than that.

11. Q: How do you suppose Bob Woodward got access to Mr. Casey in the first place? I was under the assumption that he had guards to restrain people.

A.. Do you mean in the hospital?

Q: Yes

A: I don't know the answer to that either. Maybe I don't have as fertile a mind, but I would say this -- I genuinely don't know the answer to your question, but I would say that these are the facts. Mrs. Casey and her daughter did, in fact, keep watch over Mr. Casey almost all the time -- virtually all the time -- one during the day and one at night. In addition to that, we had several security officers looking after Mr. Casey 24 hours a day every day that he was in the hospital. One of those officers stood by his door and the other one stood near his room with a view of the door and of adjacent hallways. Those are the facts.

12. Q: (Senior Commissioner in the Conference) A lot has been written in recent years about the role of the National Security Council in regard to the CIA, specifically the fact that the NSC is based on two different administrations, going from purely

examinations for arbitrating organizations to very specific, very committee-oriented organzations. In which of those contexts -- in what kind of operational mode -- do you think the CIA is a producer of true intelligence to the powers that be and which would work best with the National Security Council?

A: I think that national security policy, when done properly, is an integration of diplomatic, military and intelligence information. I think that it is the primary responsibility of the National Security Council Staff and the Assistant Secretary to the President for National Security Affairs to ensure that each of those elements -- and whatever other ones may be appropriate, Department of Treasury or whatever -- are included in the policymaking process; that they have an opportunity to be heard and that the President is exposed to different points of view before he makes a decision. I guess that that kind of an NSC Staff is one in which the National Security Advisor plays the role of the collator of information and the presenter to the President of the different points of view within the Government, although he certainly is entitled to his own recommendations as well. But what is essential is that the other players have confidence that a) they have their own access to the President, and b) that their views are being presented fairly to the President.

I want to thank Mr. Gates for an extremely informative and analytical talk. I want to thank him for his patience, his frankness with the questions and I want, on behalf of us all, to say we appreciate his taking time from his busy schedule to come to Princeton for the Policy Conference.